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XTO REV PROD 88 (7-69) PAID UP (04/17/07)B

## OIL, GAS AND MINERAL LEASE

THIS AGREEMENT made this 26th day of July, 2010 between  
**Jack L. Davis and Linda A. Davis, husband and wife**

Lessor (whether one or more) whose address is: 2315 Mistletoe Blvd., Fort Worth, Texas 76110

and XTO Energy Inc., 810 Houston Street, Fort Worth, Texas 76102

Lessee, WITNESSETH:

1. Lessor, in consideration of ten dollars and other valuable consideration, receipt of which is hereby acknowledged, and of the covenants and agreements of Lessee hereinafter contained, does hereby grant, lease and let unto Lessee the land covered hereby for the purposes and with the exclusive right of exploring, drilling, mining and operating for, producing and owning oil, gas, sulphur and all other minerals (whether or not similar to those mentioned), together with the right to make surveys on said land, lay pipe lines, establish and utilize facilities for surface or subsurface disposal of salt water, construct roads and bridges, dig canals, build tanks, power stations, telephone lines, employee houses and other structures on said land, necessary or useful in Lessee's operations in exploring, drilling for, producing, treating, storing and transporting minerals produced from the land covered hereby or any other land adjacent thereto. The land covered hereby, herein called "said land," is located in the County of Tarrant, State of Texas, and is described as follows:

**See Exhibit "A" and Addendum "A" attached hereto and made a part hereof**

This lease also covers and includes, in addition to that above described, all land, if any, contiguous or adjacent to or adjoining the land above described and (a) owned or claimed by Lessor by limitation, prescription, possession, reversion, after-acquired title or unrecorded instrument or (b) as to which Lessor has a preference right of acquisition. Lessor agrees to execute any supplemental instrument requested by Lessee for a more complete or accurate description of said land. For the purpose of determining the amount of any bonus or other payment hereunder, said land shall be deemed to contain 0.7576 acres, whether actually containing more or less, and the above recital of acreage in any tract shall be deemed to be the true acreage thereof. Lessor accepts the bonus as lump sum consideration for this lease and all rights and options hereunder.

2. Unless sooner terminated or longer kept in force under other provisions hereof, this lease shall remain in force for a term of THREE (3) years from the date hereof, hereinafter called "primary term," and as long thereafter as operations, as hereinafter defined, are conducted upon said land with no cessation for more than ninety (90) consecutive days.

3. As royalty, Lessee covenants and agrees: (a) To deliver to the credit of Lessor, in the pipe line to which Lessee may connect its wells, the equal 25% part of all oil produced and saved by Lessee from said land, or from time to time, at the option of Lessee, to pay Lessor the average posted market price of such 25% part of such oil at the wells as of the day it is run to the pipe line or storage tanks, Lessor's interest, in either case, to bear 25% of the cost of treating oil to render it marketable pipe line oil; (b) To pay Lessor on gas and casinghead gas produced from said land (1) when sold by Lessee, 25% of the amount realized by Lessee, computed at the mouth of the well, or (2) when used by Lessee off said land or in the manufacture of gasoline or other products, the market value, at the mouth of the well, of 25% of such gas and casinghead gas; (c) To pay Lessor on all other minerals mined and marketed or utilized by Lessee from said land, one-tenth either in kind or value at the well or mine at Lessee's election, except that on sulphur mined and marketed the royalty shall be one dollar (\$1.00) per long ton. If, at the expiration of the primary term or at any time or times thereafter, there is any well on said land or on lands with which said land or any portion thereof has been pooled, capable of producing oil or gas, and all such wells are shut-in, this lease shall, nevertheless, continue in force as though operations were being conducted on said land for so long as said wells are shut-in, and thereafter this lease may be continued in force as if no shut-in had occurred. Lessee covenants and agrees to use reasonable diligence to produce, utilize, or market the minerals capable of being produced from said wells, but in the exercise of such diligence, Lessee shall not be obligated to install or furnish facilities other than well facilities and ordinary lease facilities of flow lines, separator, and lease tank, and shall not be required to settle labor trouble or to market gas upon terms unacceptable to Lessee. If, at any time or times after the expiration of the primary term, all such wells are shut-in for a period of ninety consecutive days, and during such time there are no operations on said land, then at or before the expiration of said ninety day period, Lessee shall pay or tender, by check or draft of Lessee, as royalty, a sum equal to one dollar (\$1.00) for each acre of land then covered hereby. Lessee shall make like payments or tenders at or before the end of each anniversary of the expiration of said ninety day period if upon such anniversary this lease is being continued in force solely by reason of the provisions of this paragraph. Each such payment or tender shall be made to the parties who at the time of payment would be entitled to receive the royalties which would be paid under this lease if the wells were producing, and may be deposited in such bank as directed by Lessor, or its successors, which shall continue as the depositories, regardless of changes in the ownership of shut-in royalty. If at any time that Lessee pays or tenders shut-in royalty, two or more parties are, or claim to be, entitled to receive same. Lessee may, in lieu of any other method of payment herein provided, pay or tender such shut-in royalty, in the manner above specified, either jointly to such parties or separately to each in accordance with their respective ownerships thereof, as Lessee may elect. Any payment hereunder may be made by check or draft of Lessee deposited in the mail or delivered to the party entitled to receive payment or to a depository bank provided for above on or before the last date for payment. Nothing herein shall impair Lessee's right to release as provided in paragraph 5 hereof. In the event of assignment of this lease in whole or in part, liability for payment hereunder shall rest exclusively on the then owner or owners of this lease, severally as to acreage owned by each.

4. Lessee is hereby granted the right, at its option, to pool or unitize any land covered by this lease with any other land covered by this lease, and/or with any other land, lease, or leases, as to any or all minerals or horizons, so as to establish units containing not more than 80 surface acres, plus 10% acreage tolerance; provided, however, units may be established as to any one or more horizons, or existing units may be enlarged as to any one or more horizons, so as to contain not more than 640 surface acres plus 10% acreage tolerance, if limited to one or more of the following: (1) gas, other than casinghead gas, (2) liquid hydrocarbons (condensate) which are not liquids in the subsurface reservoir, (3) minerals produced from wells classified as gas wells by the conservation agency having jurisdiction. Should governmental authority having jurisdiction prescribe or permit the creation of units larger than those specified, units thereafter created may conform substantially in size with those prescribed or permitted by governmental regulations. Lessee shall exercise said option as to each desired unit by executing an instrument identifying such unit and filing it for record in the public office in which this lease is recorded. Such unit shall become effective as of the date provided for in said instrument or instruments but if said instrument or instruments make no such provision, then such unit shall become effective on the date such instrument or instruments are so filed of record. Each of said options may be exercised by Lessee at any time and from time to time while this lease is in force, and whether before or after operations or production has been established either on said land, or on the portion of said land included in the unit, or on other land unitized therewith. A unit established hereunder shall be valid and effective for all purposes of this lease even though there may be mineral, royalty, or leasehold interests in lands within the unit which are not effectively pooled or unitized. Any operations conducted on any part of such unitized land shall be considered, for all purposes, except the payment of royalty, operations conducted upon said land under this lease. There shall be allocated to the land covered by this lease within each such unit (or to each separate tract within the unit if this lease covers separate tracts within the unit) that proportion of the total production of unitized minerals from the unit, after deducting any used in lease or unit operations, which the number of surface acres in such land (or in each such separate tract) covered by this lease within the unit bears to the total number of surface acres in the unit, and the production so allocated shall be considered for all purposes, including payment or delivery of royalty, overriding royalty and any other payments out of production, to be the entire production of unitized minerals from the land to which allocated in the same manner as though produced therefrom under the terms of this lease. The owner of the reversionary estate of any term royalty or mineral estate agrees that the accrual of royalties pursuant to this paragraph or of shut-in royalties from a well on the unit shall satisfy any limitation of term requiring production of oil or gas.

The formation of any unit hereunder which includes land not covered by this lease shall not have the effect of exchanging or transferring any interest under this lease (including, without limitation, any shut-in royalty which may become payable under this lease) between parties owning interests in land covered by this lease and parties owning interests in land not covered by this lease. Neither shall it impair the right of Lessee to release as provided in paragraph 5 hereof, except that Lessee may not so release as to lands within a unit while there are operations thereon for unitized minerals unless all pooled leases are released as to lands within the unit. At any time while this lease is in force Lessee may dissolve any unit established hereunder by filing for record in the public office where this lease is recorded a declaration to that effect, if at that time there is no unitized minerals being produced from such unit. Any unit formed may be amended, re-formed, reduced or enlarged by Lessee at its election at any time and from time to time after the original forming thereof by filing an appropriate instrument of record in the public office in which the pooled acreage is located. Subject to the provisions of this paragraph 4, a unit once established hereunder shall remain in force so long as any lease subject thereto shall remain in force. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interests as between any such separate tracts is intended or shall be implied or result merely from the inclusion of such separate tracts within this lease but Lessee shall nevertheless have the right to pool or unitize as provided in this paragraph 4 with consequent allocation of production as herein provided. As used in this paragraph 4, the words "separate tract" mean any tract with royalty ownership differing, now or hereafter, either as to parties or amounts, from that as to any other part of the leased premises.

5. Lessee may at any time and from time to time execute and deliver to Lessor or file for record a release or releases of this lease as to any part or all of said land or of any mineral or horizon thereunder, and thereby be relieved of all obligations, as to the released acreage or interest.

6. Whenever used in this lease the word "operations" shall mean operations for and/or any of the following: preparing the drillsite location and/or access road, drilling, testing, completing, reworking, recompleting, deepening, sidetracking, plugging back or repairing of a well in search for or in an endeavor to obtain production of oil, gas, sulphur or other minerals, excavating a mine, production of oil, gas, sulphur or other mineral, whether or not in paying quantities.

7. Lessee shall have the use, free from royalty, of water, other than from Lessor's water wells, and of oil and gas produced from said land in all operations hereunder. Lessee shall have the right at any time to remove all machinery and fixtures placed on said land, including the right to draw and remove casing. No well shall be drilled nearer than 200 feet to the house or barn now on said land without the consent of the Lessor. Lessee shall pay for damages caused by its operations to growing crops and timber on said land.

8. The rights and estate of any party hereto may be assigned from time to time in whole or in part and as to any mineral or horizon. All of the covenants, obligations, and considerations of this lease shall extend to and be binding upon the parties hereto, their heirs, successors, assigns, and successive assigns. No change or division in the ownership of said land, royalties, or other moneys, or any part thereof, howsoever effected, shall increase the obligations or diminish the rights of Lessee, including, but not limited to, the location and drilling of wells and the measurement of production. Notwithstanding any other actual or constructive knowledge or notice thereof of or to Lessee, its successors or assigns, no change or division in the ownership of said land or of the royalties, or other moneys, or the right to receive the same, howsoever effected, shall be binding upon the then record owner of this lease until sixty (60) days after there has been furnished to such record owner at his or its principal place of business by Lessor or Lessor's heirs, or assigns, notice of such change or division, supported by either originals or duly certified copies of the instruments which have been properly filed for record and which evidence such change or division, and of such court records and proceedings, transcripts, or other documents as shall be necessary in the opinion of such record owner to establish the validity of such change or division. If any such change in ownership occurs by reason of the death of the owner, Lessee may, nevertheless pay or tender such royalties, or other moneys, or part thereof, to the credit of the decedent in a depository bank provided for above.

9. In the event Lessor considers that Lessee has not complied with all its obligations hereunder, both express and implied, Lessor shall notify Lessee in writing, setting out specifically in what respects Lessee has breached this contract. Lessee shall then have sixty (60) days after receipt of said notice within which to meet or commence to meet all or any part of the breaches alleged by Lessor. The service of said notice shall be precedent to the bringing of any action by Lessor on said lease for any cause, and no such action shall be brought until the lapse of sixty (60) days after service of such notice on Lessee. Neither the service of said notice nor the doing of any acts by Lessee aimed to meet all or any of the alleged breaches shall be deemed an admission or presumption that Lessee has failed to perform all its obligations hereunder. If this lease is canceled for any cause, it shall nevertheless remain in force and effect as to (1) sufficient acreage around each well as to which there are operations to constitute a drilling or maximum allowable unit under applicable governmental regulations, (but in no event less than forty acres), such acreage to be designated by Lessee as nearly as practicable in the form of a square centered at the well, or in such shape as then existing spacing rules require; and (2) any part of said land included in a pooled unit on which there are operations. Lessee shall also have such easements on said land as are necessary to operations on the acreage so retained and shall not be required to move or remove any existing surface facilities necessary or convenient for current operations.

10. Lessor hereby warrants and agrees to defend title to said land against the claims of all persons whomsoever. Lessor's rights and interests hereunder shall be charged primarily with any mortgages, taxes or other liens, or interest and other charges on said land, but Lessor agrees that Lessee shall have the right at any time to pay or reduce same for Lessor, either before or after maturity, and be subrogated to the rights of the holder thereof and to deduct amounts so paid from royalties or other payments payable or which may become payable to Lessor and/or assigns under this lease. If this lease covers a less interest in the oil, gas, sulphur, or other minerals in all or any part of said land than the entire and undivided fee simple estate (whether Lessor's interest is herein specified or not), or no interest therein, then the royalties and other moneys accruing from any part as to which this lease covers less than such full interest, shall be paid only in the proportion which the interest therein, if any, covered by this lease, bears to the whole and undivided fee simple estate therein. All royalty interest covered by this lease (whether or not owned by Lessor) shall be paid out of the royalty herein provided. This lease shall be binding upon each party who executes it without regard to whether it is executed by all those named herein as Lessor.

11. If, while this lease is in force, at, or after the expiration of the primary term hereof, it is not being continued in force by reason of the shut-in well provisions of paragraph 3 hereof, and Lessee is not conducting operations on said land by reason of (1) any law, order, rule or regulation, (whether or not subsequently determined to be invalid) or (2) any other cause, whether similar or dissimilar, (except financial) beyond the reasonable control of Lessee, the primary term hereof shall be extended until the first anniversary date hereof occurring ninety (90) or more days following the removal of such delaying cause, and this lease may be extended thereafter by operations as if such delay had not occurred.

12. Lessor agrees that this lease covers and includes any and all of Lessor's rights in and to any existing well(s) and/or wellbore(s) on said land, other than existing water wells, and for all purposes of this lease the re-entry and use by Lessee of any existing well and/or wellbore shall be deemed the same as the drilling of a new well.

13. Notwithstanding anything to the contrary contained in this lease, at the option of Lessee, which may be exercised by Lessee giving notice to Lessor, a well which has been drilled and Lessee intends to frac shall be deemed a well capable of producing in paying quantities and the date such well is shut-in shall be when the drilling operations are completed.

14. As a result of land development in the vicinity of said land, governmental rules or ordinances regarding well sites, and/or surface restrictions as may be set forth in this lease and/or other leases in the vicinity, surface locations for well sites in the vicinity may be limited and Lessee may encounter difficulty securing surface location(s) for drilling, reworking or other operations. Therefore, since drilling, reworking or other operations are either restricted or not allowed on said land or other leases in the vicinity, it is agreed that any such operations conducted at a surface location off of said land or off of lands with which said land are pooled in accordance with this lease, provided that such operations are associated with a directional well for the purpose of drilling, reworking, producing or other operations under said land or lands pooled therewith, shall for purposes of this lease be deemed operations conducted on said land. Nothing contained in this paragraph is intended to modify any surface restrictions or pooling provisions or restrictions contained in this lease, except as expressly stated.

IN WITNESS WHEREOF, this instrument is executed on the date first above written.

Jack L. Davis

Linda A. Davis

#### ACKNOWLEDGEMENT

STATE OF TEXAS )  
COUNTY OF TARRANT ) SS Individual

This instrument was acknowledged before me on the 31st day of, 1st AUGUST, 2010  
by Jack L. Davis and Linda A. Davis, husband and wife

Linda R. Mortimer  
Notary Public Signature

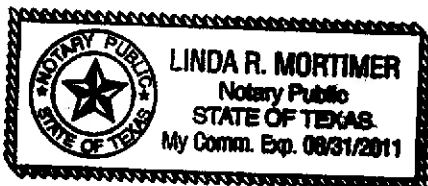


EXHIBIT "A"

Attached as part of Oil and Gas Lease dated July 26, 2010, between  
Jack L. Davis and Linda A. Davis, husband and wife  
as Lessor, and XTO Energy Inc. as Lessee


0.7576 of an acre, more or less, being a called 0.6026 of an acre, situated in the E. S. Harris Survey, A-688, Tarrant County, Texas, being the East 1/2 of Lot 7, all of Lot 8, West 1/2 of Lot 9, West 1/2 of Lot 16, all of Lot 17, East 1/2 of Lot 18, Block 15, Mistletoe Heights Addition to the City of Fort Worth, Tarrant County, Texas, according to the plat and dedication recorded at Volume 388, Page 5, Plat Records, Tarrant County, Texas, and being more particularlry described in that certain Warranty Deed with Vendor's Lien, dated September 20, 1993, from Patricia Wollner Levasheff, Individually and as Independent Executrix of the Estate of Charles E. Wollner, Deceased and as Independent Administratrix of the Estate of Helen Elizabeth Wollner, Deceased and Johanna Wollner Troccia to Jack L. Davis and wife, Linda A. Davis, as recorded in Volume 11251, Page 882, Official Public Records, Tarrant County, Texas.

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THE FOLLOWING AGREEMENTS AND PROVISIONS SHALL SUPERSEDE THE PROVISIONS IN THE PRINTED FORM TEXT OF THIS LEASE TO THE CONTRARY, AND SHALL INURE TO THE BENEFIT OF, AND BE BINDING UPON THE PARTIES HERETO AND THEIR RESPECTIVE HEIRS, REPRESENTATIVES, SUCCESSORS AND ASSIGNS.

DRILLING SURFACE RESTRICTIONS: It is hereby agreed and understood that there shall be no drilling activities on the surface of the leased premises without the prior written permission from the surface owner of the applicable portion of the leased premises.

SIGNED FOR IDENTIFICATION ONLY:

  
\_\_\_\_\_  
Jack L. Davis

  
\_\_\_\_\_  
Linda A. Davis

## ADDENDUM A

Attached to and made a part of that certain Gas Lease dated July 26, 2010 by and between Jack L. Davis and Linda A. Davis, as Lessors and XTO Energy, as Lessee

**THE FOLLOWING PROVISIONS DO NOT CONSTITUTE A COMPLETE LEASE, BUT PROVISIONS THAT SHALL BE INCORPORATED INTO AN EXISTING LEASE AND SHALL SUPERCEDE ANY CONFLICTING PROVISIONS.**

### I. DEFINITIONS

As used herein, "Mistletoe Heights" includes the area bordered by the following:

North: by West Rosedale South and the north border of Newby Park;  
East: by the current BNSF railroad right-of-way, but not including the BNSF railroad right-of-way;  
South: by Weatherbee; and  
West: by Mistletoe Drive from West Rosedale South to Forest Park Blvd.,

"Mistletoe Heights" shall also include all lots adjacent to the above-listed streets, including the lots which border West Rosedale South to the north, Weatherbee to the south and Mistletoe Drive to the west and south. The parties agree that if a survey of "Mistletoe Heights" is necessary, Lessee shall hire an independent surveyor to conduct the survey, and shall pay all expenses associated with the survey. .

### II. GENERAL PROVISIONS

The following provisions shall apply without regard to the location of any well drilled on lands which the leased premises have been pooled or utilized.

#### A. LIMITATIONS

This lease will expire as to all lands and depths unless marketable hydrocarbons are producing before the expiration of the primary term. At the end of the primary term, this lease shall expire as to all depths one hundred (100') feet below the base of the deepest producing formation then producing or capable of producing oil and/or gas in paying quantities from any well drilled on the leased premises or on lands with which the leased premises have been pooled or unitized.

#### B. PAYMENTS

All shut-in or other royalty payments under this Lease shall be paid or tendered to Lessor at the above

address, or at such address or to Lessor's credit at such depository institution as Lessor may provide written notice of from time to time. All payments or tenders may be made in currency, by check or by draft. Initial bonus monies shall be paid to Lessor by check upon Lessee's receipt of Lessor's executed lease. Lessee shall pay all royalties on or before the twentieth (20<sup>th</sup>) day of the second month succeeding the month of production; provided however, royalties on the first month's production from any well shall not be due and payable until 120 days from the date of first production.

### **C. WAIVER OF SURFACE USE**

Notwithstanding anything to the contrary in this Lease, Lessee shall not enter upon the surface of, cross over, place any structure or building upon or conduct any operations (including but not limited to drilling, roads, drilling pads, pipelines, production equipment, flowlines, and geophysical/seismic operations) on the leased premises or within six hundred feet (600') of any home within Mistletoe Heights. NOTWITHSTANDING ANYTHING WITHIN THIS LEASE TO THE CONTRARY, LESSEE IS PROHIBITED AND SHALL NOT ESTABLISH A DRILL PAD SITE ON LAND BORDERING MISTLETOE BOULEVARD. Neither the Lessee nor any of its affiliates, subcontractors, employees, and/or assigns shall operate any truck or equipment within Mistletoe Heights and shall not access any well site by using any road or street, or any portion thereof, within Mistletoe Heights (including Forest Park Blvd., Mistletoe Blvd., and Jerome). Notwithstanding the foregoing, the bore of a well drilled for oil and gas purposes may cross or be bottomed under the leased premises if such bore is at least 1000 feet below the surface.

### **D. NOISE**

No drilling or other operations shall produce a sound level (1) greater than 5dB above the ambient noise level when measured at any location within Mistletoe Heights between the hours of 7:00 a.m. to 7:00 p.m., or (2) greater than 3dB above the ambient noise level when measured at any location within Mistletoe Heights between the hours of 7:00 p.m. to 7:00 a.m.; provided, however, that and adjustment to the noise standard set forth below in (1) and (2) may be permitted in accordance with the tolerance table from City of Fort Worth Ordinance set forth below. Sound level measurements shall be made with a sound level meter conforming, as a minimum, to the requirements of the American National Standards Institute. Sound level measurements shall be taken at a distance of between 4 and 6 feet above ground level. In the event that Lessor obtains a sound measurement exceeding that allowed by this Lease, Lessor shall notify Lessee in writing in conformity with the terms of this Lease. Lessee shall have 24 hours from the receipt of such notice to cure or cease any condition or operation which results in a sound level measurement not in conformity with this Lease. Any sound level measurement taken at any location within Mistletoe Heights shall be deemed to affect equally all Lessors within Mistletoe Heights, and any violation of the provisions relating to sound levels contained herein shall not be waived, modified, or terminated without the written consent and agreement of all Lessors within Mistletoe Heights. The Lessee will not place any gas compression station within 1000 feet from any home within Mistletoe Heights.

Adjustments to the noise standards as set forth above in subsection (B) of this section may be permitted in accordance with the following:

Permitted Increase (dBA)	Duration of Increase (minutes)*
5.....	15
10.....	5
15.....	1
20.....	less than 1

\*Cumulative minutes during any one hour

#### E. NO WARRANTY OF TITLE.

Lessor makes no warranty of any kind with respect to title to the surface or mineral estate of the leased premises or any portion of or interest therein. All warranties that might arise by common law or by statute, including but not limited To Section 5.023 of the Texas Property Code (or its successor), are excluded. By acceptance of this Lease, Lessee acknowledges that it has been given full opportunity to investigate and has conducted sufficient investigation to satisfy as to title to the leased premises. Lessee assumes all risk of title failures.

#### F. NOTICES

The then President of Mistletoe Heights Association shall receive copies of all electric logs, mud logs, drilling and completion reports, tests, initial production data, plats, permits, unit designations, to any well or wells drilled or re-entered on the land covered by any leases or pooled therewith and located in Mistletoe Heights this lease or any land pooled with the land covered by this lease, or any co-operative this land may be included in.

**LESSEE:**

**XTO Energy, INC**

By: \_\_\_\_\_

Title: \_\_\_\_\_

**LESSORS:**

Name(s) Jack F. Davis

Date 8-31-2010

Return to: Bryson G. Kuba  
6127 Green Jacket Dr.  
Apt. # 1136  
Fort Worth, TX 76137

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